

## PROPOSAL EVALUATION

### *Proposition 84 Integrated Regional Water Management (IRWM) Grant Program Implementation Grant, Round 2, 2013*

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<b>Applicant</b>	Coachella Valley Water District	<b>Amount Requested</b>	\$ 5,240,000
<b>Proposal Title</b>	Coachella Valley IRWM Implementation Grant Proposal – Round 2	<b>Total Proposal Cost</b>	\$ 9,540,675

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#### PROJECT SUMMARY

The proposal consists of the following five projects: (1) Non-Potable Water Use Expansion Program, (2) Salt and Nutrient Management Program, (3) Groundwater Quality Protection Program – Subarea D2, (4) San Antonio del Desierto DAC Sewer Extension Project, and (5) Torres-Martinez Avenue 64 Water Supply Connection Project.

#### PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	9/15	Technical Justification	8/10
Budget	4/5		
Schedule	4/5	Benefits and Cost Analysis	18/30
Monitoring, Assessment, and Performance Measures	2/5	Program Preferences	10/10
Total Score (max. possible = 80)			55

#### EVALUATION SUMMARY

##### WORK PLAN

The criterion is less than fully addressed and documentation or rationales are incomplete or insufficient. Work plan contains an introduction and describes the goals and objectives of the proposal and how it relates to the adopted IRWM Plan. A tabulated overview of the five projects is provided, and includes a summary description, abstract and project status, goals of the projects, a listing of project partners, project integration, completed work, existing data and studies. Work plan also includes a description of synergies and linkages between the proposed projects. Maps depicting the relative project locations are included. Work plan explains if each project is a component of a larger project and how the project can operate as a stand-alone project. However, some projects do not include sufficient task descriptions. The applicant did not provide any information on activities within tasks that are not requesting grant funds, only that CVWD will be responsible and that the activity is not included in the work plan. For example, Project 1, construction contracting and CEQA/permitting tasks. The work plan should contain activities that need to be performed to complete the scope of work even tasks not requesting grant funds. Additionally, the work plan contains conflicting information.

For example, Project 4, Task 6 states a “Categorical Exemption” is anticipated, however, Task 10 states a “Mitigated Negative Declaration” is required for the project.

## **BUDGET**

Budgets for all the projects in the proposal have detailed cost information and the costs are considered reasonable but the supporting documentation for some of the budget categories are not fully supported or lack detail. A summary budget and detailed budgets are provided for each individual project tasks. Overall, the costs shown in the budget are supported by documentation and contain an explanation of how the project costs were estimated. However, subtask 4.2.4 in Project 2 does not contain the number of hours per classification instead it contains total wages. Task 5 of Project 4 contains a calculation error regarding hourly wage and number of hours. Additionally, Project 4 table 4-32 contains a lump sum total, without additional information to support the reasonableness of the total.

## **SCHEDULE**

The schedule is consistent with the work plan and budget and demonstrates a readiness to begin construction implementation of at least one project in the proposal no later than October 2014. However, the lack of information in the work plan regarding CEQA documentation and required permits, for Projects 1 and 4, makes it difficult to determine whether the schedules for these projects are reasonable.

## **MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES**

The criterion is marginally addressed and documentation and rationales are incomplete and insufficient. Most of the monitoring targets are not measurable and the measurement tools and methods do not effectively track performance. For example, in Project 1, a benefit type is “secure reliable imported water supply”, but neither the target, nor measurement tools and methods contain the proper metrics to support the goal. In addition, for several benefits listed in Project 1, “linear feet of pipeline” and “MGD of non-potable water used” are listed as performance indicators yet no measureable target is provided. Furthermore, in Project 5, a benefit type listed is “provide reliable water supply” but the measurement tool is “engineering drawings.” Thus, it is difficult to determine if it is feasible to meet the targets within the life of the projects.

## **TECHNICAL JUSTIFICATION**

The proposal is technically justified to achieve the claimed benefits but is either not fully supported by documentation that demonstrates the technical adequacy of the project(s) or physical benefits are not well described. The applicant provided information that clearly identifies and describes the physical benefits of each project included in the proposal. The technical analysis is appropriate and justified considering the size of the projects and the type of benefits claimed. The physical benefits of the projects are quantified where applicable. The proposal includes the actual supportive studies and a summary description of each study. However, the assertion that implementation of Project 1 will result in a net decrease in Delta exports is not well supported.

## **BENEFITS AND COSTS ANALYSIS**

Collectively the proposal is likely to provide a medium level of benefits in relationship to cost and this finding is supported by detailed, high quality analysis and clear and complete documentation.

The scoring for this application is substantially affected by Project 1, as this project accounts for almost 80 percent of economic costs. The economic analysis for this project suggests that the project is economical, but the project is probably not as economical as claimed. The Canal Water almost certainly has a significant opportunity cost for use elsewhere in southern California that is not counted. Recycled wastewater will reduce flows to the Salton Sea. The analysis assumes that, without-project, State Water Project (SWP) water would be purchased (by exchange) to replenish groundwater pumped by the golf courses. If less expensive canal water is available as assumed, it is more plausible that

CVWD would use that water for replenishment instead of SWP water. A clear without-project condition would help and it appears the opportunity cost of waters to be used is understated.

Project 3 – Subarea D2 accounts for 35 percent of funding requested. Benefits are based on imported water supply cost savings, hotel revenues and taxes, and reduced costs of septic system maintenance. The hotel revenues and transient occupancy tax cannot be counted as an economic benefit because 1) only net revenues should be counted, and 2) the revenues represent money that might be spent elsewhere in the State.

Two projects would fund studies and documentation. Physical benefits are hard to document, however, it appears that Project 2 is needed to continue recycled water use in the region. Therefore, it is assumed that, without the program, recycled water use of 14,268 AFY would be lost beginning in 2016. However, if this benefit were lost, flows to the Salton Sea would probably be increased.

Project 5 would fund design and engineering work. The eventual connection appears to be a very worthy project, and cost-effectiveness comparisons are provided. However, in this context, a cost-effectiveness analysis of the study itself should have been provided.

### **PROGRAM PREFERENCES**

The proposal demonstrates a high degree of certainty that the proposal will implement the 10 program preferences claimed, and documents the magnitude and breadth of each program preferences. The proposal includes projects that will address critical water supply and water quality needs of DAC within the Region. The proposal meets over eight non-DAC program preferences. The applicant demonstrates high degree of certainty, and adequate documentation for the Preferences claimed: (1) Include regional projects or programs; (2) Effectively integrate water management programs and projects; (3) Effectively resolve significant water-related conflicts within or between regions; (4) Effectively resolve significant water-related conflicts within or between regions; (5) Address critical water supply or water quality needs of disadvantaged communities within the region; (6) Drought Preparedness; (7) Use and Reuse Water More Efficiently; (8) Expand environmental stewardship; (9) Protect surface water and groundwater quality; and (10) Ensure equitable distribution of benefits.